

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
02-009

2. STATE
Washington

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
~~January 1, 2002~~ **September 1, 2002** (P+I)

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$0
b. FFY 2003 \$ <875,000> \$1.750 x .50 =

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19 - B page 1 (P+I)
Pages 5a & 5b (P+I) → pages 4, 4-1, 4-2 (P+I)
Attachment 3.1-A page 6-10 (P+I) page 6-11 (P+I) (P+I)
Attachment 3.1-B page 5-10 (P+I) (P+I)
→ pages 4, 4-1, 4-2, 4-3 (P+I)

Attachment 4.19 - B page 1 (P+I)
Pages 5a & 5b supercede TN #93-34 (P+I)
Attachment 3.1A, pages 4, 4-1 (P+I)
Attachment 3.1B, pages 4, 4-1, 4-2, 4-3 (P+I)

10. SUBJECT OF AMENDMENT:

Dialysis Services

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Exempt

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
DENNIS BRADDOCK

14. TITLE:
Secretary

15. DATE SUBMITTED:

16. RETURN TO:

Department of Social and Health Services
Medical Assistance Administration
623 8th St SE MS: 45533
Olympia, WA 98504-5500

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **APR - 1 2002**

18. DATE APPROVED:

JUN 17 2003

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

SEP - 1 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Raren S. O'Connor

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health

23. REMARKS:

P+I changes authorized by the state on 6/16/02.
P+I changes authorized by the state on 9/27/02.

POSTMARK: 3/29 Olympia

P+I changes authorized by the state on 6/16/03.

The change in the effective date (proposed) from 1/1/02 to 9/1/02 was agreed upon by CMS and the state when language revisions were also changed (5/20/03)

AMOUNT, DURATION, AND SCOPE OF MEDICAL
AND REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

9. Clinic services.

☒ Provided: ☐ No limitations ☒ With limitations*
☐ Not provided

10. Dental services.

☒ Provided: ☐ No limitations ☒ With limitations*
☐ Not provided

11. Physical therapy and related services.

☒ Provided: ☐ No limitations ☒ With limitations*
☐ Not provided

12. Occupational therapy.

☒ Provided: ☐ No limitations ☒ With limitations*
☐ Not provided

13. Services for individuals with speech, hearing, and language disorders (provided by or under the supervision of a speech pathologist or audiologist).

☒ Provided: ☐ No limitations ☒ With limitations*
☐ Not provided

*Description provided on attachment

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: WASHINGTON

9. Clinic Services

a. Freestanding kidney centers

- (1) Description of facility: A center devoted specially to treating End Stage Renal Disease (ESRD)
- (2) Description of service: Peritoneal dialysis or hemodialysis for ESRD.
- (3) Program coverage: Covered as an outpatient service when provided by a freestanding renal dialysis center or a freestanding community hemodialysis unit. Includes physician services, medical supplies, equipment, drugs, and laboratory tests.
- (4) Prior authorization: Required for the facility but not the physician. Initial authorization may be granted for up to three months. Reauthorization may be granted for up to twelve months.
- (5) Reimbursement: This service is reimbursed according to attachment 4.19-B, II, A.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: WASHINGTON

10. Dental Services

- a. Performed by a licensed dentist.
 - (1) Limited to medically necessary treatment for relief of pain and infection, restoration of teeth, and maintenance of dental health.
 - (2) Orthodontic treatment is limited to recipients of EPSDT.
- b. Performed by a licensed dental hygienist.
 - (1) Limited to prophylaxis, fluoride treatments, topical application sealants, gingival curettage, and root planing.
 - (2) Must have two years of practical clinical experience with a licensed dentist within the preceding five years.
 - (3) Practice in accordance with limitations prescribed in state law.

11. Physical therapy and related services

- a. Physical Therapy
 - (1) Approval
 - (2) Performed by a registered therapist
- b. Occupational Therapy

Allowed when provided by a home health agency certified to perform the services

Approval required when the period of service exceeds limits established by the state agency.
- c. Services for individuals ^(P+I) with speech, hearing and language disorders (provided by or under supervision of a speech pathologist or audiologist).
 - (1) Prior approval
 - (2) Not provided for language disorders.

TN# 02-009
Supersedes
TN# _____

Approval Date: JUN 17 2003

Effective Date: 9-01-02

AMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED
MEDICALLY NEEDY GROUP(S): ALL

8. Private duty nursing services.
- X Provided: No limitations X With limitations*
9. Clinic services.
- X Provided: No limitations X With limitations*
10. Dental services.
- X Provided: No limitations X With limitations*
11. Physical therapy and related services.
- a. Physical therapy.
- X Provided: No limitations X With limitations*
- b. Occupational therapy.
- X Provided: No limitations X With limitations*
- c. Services for individuals with speech, hearing, and language disorders provided by or under the supervision of a speech pathologist or audiologist.
- Provided: No limitations With limitations
12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.
- a. Prescribed drugs.
- X Provided: No limitations X With limitations*
- b. Dentures.
- X Provided: No limitations X With limitations*

*Description provided on attachment.

TN# 02-009
Supersedes
TN# 86-14Approval Date: JUN 17 2003Effective Date: 9-01-02

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Washington

8. Private duty nursing services
 - (1) Require prior approval.
 - (2) Must be provided by a registered nurse or licensed practical nurse.
 - (3) Must be under the direction of a physician.
 - (4) Limited to a non-institutional setting.
9. Clinic services.
 - a. Freestanding kidney centers
 - (1) Description of facility: A center devoted specially to treating End Stage Renal Disease (ESRD)
 - (2) Description of service: Peritoneal dialysis or hemodialysis for ESRD.
 - (3) Program coverage: Covered as an outpatient service when provided by a freestanding renal dialysis center or a freestanding community hemodialysis unit. Includes physician services, medical supplies, equipment, drugs, and laboratory tests.
 - (4) Prior authorization: Required for the facility but not the physician. Initial authorization may be granted for up to three months. Reauthorization may be granted for up to twelve months.
 - (5) Reimbursement: This service is reimbursed according to attachment 4.19-B, II, A.
10. Dental services
 - (1) Limited to medically necessary treatment for relief of pain and infection, restoration of teeth, and maintenance of dental health.
 - (2) Orthodontic treatment is limited to recipients of EPSDT.
11. Physical therapy and related services
 - a. Physical therapy

Allowed as an inpatient hospital service or when provided by a home health agency. Period of home health agency service reviewed and limited by the state.
 - b. Occupational therapy

Allowed as an inpatient hospital service or when provided by a home health agency. Period of home health agency service reviewed and limited by the state.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Washington

12. a. Prescribed Drugs

Drug Coverage

- (1) Covered outpatient drugs as defined in Section 1927 (k)(2) of the Act are those which are prescribed for a medically accepted indication and produced by any manufacturer, which has entered into and complies with an agreement under Section 1927(a) of the Act.
- (2) Prescriptions written as a result of an EPSDT visit will be approved as ordered by the prescriber when that information is communicated to the TCS clinical pharmacists.
- (3) Generic drugs, insulin and diabetic supplies, contraceptives, antipsychotics, anticonvulsants, antidepressants, chemotherapy, antiretrovirals, immunosuppressants and hypoglycemic rescue agents will be exempt from triggering a TCS review. During a TCS review, all covered outpatient drugs, as defined in Section 1927 (k) (2) of the Act will be authorized for the Medicaid client, if the prescriber deems them to be medically necessary.
- (4) Under Washington Administrative Code, pharmacies are advised to provide an emergency supply of medically necessary drugs when TCS reviews are pending.
- (5) Drugs excluded from coverage as provided by Section 1927(d) (2) of the Act, include: DESI drugs, experimental drugs; weight loss drugs (unless prescribed for an indication other than obesity), drugs for cosmetic purposes, drugs for fertility and drugs for smoking cessation (except that Zyban is covered for pregnant or post-partum women according to Washington Administrative Code).

Prior Authorization

- (6) Prescription drugs may be subject to prior authorization by the agency to ensure that drugs are prescribed and dispensed appropriately.
- (7) MAA determines which prescription drugs may require prior authorization by reviewing the drug(s) for the following:
 - o Safety
 - o Potential for abuse or misuse
 - o Narrow therapeutic index
 - o High cost when less expensive alternatives are available

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Washington12. a. Prescribed Drugs Prior Authorization (Cont.)

- (8) Prior authorization programs for covered outpatient drugs provide for a response within 24 hours of a request for prior authorization and provides for the dispensing of at least a 72-hours supply of medications in emergency situations.

Therapeutic Consultation Service (TCS)

- (9) In the Therapeutic Consultation Service (TCS), all Medicaid recipients will have their entire drug profile reviewed by clinical pharmacists after the fifth request for a brand-name drug is processed in a calendar month or anytime a request for a non-preferred drug is processed. A non-preferred drug is a drug in a drug class that has essentially the same clinical safety and efficacy as the drug of choice, but is not the preferred drug. TCS is not a limit, but rather a service to provide a clinical pharmacy review of the client's entire drug therapy. This review is conducted to assure that Medicaid clients are receiving appropriate drug therapy, without therapeutic duplication or without potentially serious drug-drug interactions or drug-disease conflicts. Prescribers direct clients' drug therapy and have final approval. Reports will be available that indicate the numbers of prescriptions that were dispensed as originally ordered by the prescriber.

Supplemental Rebate Agreement

- (10) The state is in compliance with Section 1927 of the Act. Based on the requirements for Section 1927 of the Act, the state has the following policies for drug rebate agreements:
- Manufacturers are allowed to audit utilization rates;
 - The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification, in accordance with Section 1927 (b)(3)(D); and
 - Rebate agreements between the state and a drug manufacturer that are separate from the drug rebate agreements of Section 1927 are approved by the Centers for Medicare and Medicaid Services. The state reports rebates from separate agreements to the Secretary for Health and Human Services. The state will remit the federal portion of any cash state supplemental rebates collected.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Washington

Policy and methods used in establishing payment rates for each of the other types of care or service listed in Section 1905(a) of the Act that is included in the program under the Plan.

I. General

- A. The state agency will take whatever measures are necessary to assure appropriate audit of records wherever reimbursement is based on costs of providing care or service, or fee plus cost of materials.
- B. The state agency has access to data identifying the maximum charges allowed; such data will be made available to the Secretary of Health, Education, and Welfare upon request.
- C. Fee structures will be established which are designed to enlist participation of a sufficient number of providers and services in the program so that eligible persons can receive the medical care and services included in the plan at least to the extent these are available to the general population.
- D. Participation in the program will be limited to the providers of services who accept, as payment in full, the amounts paid in accordance with the fee structure.
- E. State payment will not exceed upper limit as described in regulations found in 42 CFR 447.250 through 447.371. Any increase in a payment structure that applies to individual practitioner services will be documented in accordance with the requirements of 42 CFR 447.203.

II. Clinic Services

- A. Medicaid provider clinics are reimbursed at a fee-for-service rate established by the state. Payment will not exceed the prevailing charges in the locality for comparable services under comparable circumstances. Specialized clinics are reimbursed only for services the clinic is approved to provide.

Dialysis Services: Effective September 1, 2002, reimbursement is provided for each dialysis session using a statewide composite rate of \$197.45. The composite rate reimburses for all standard equipment, supplies and services for a dialysis session. Future vendor rate increases will be reflected in future state plan amendments.

Dialysis services provided by freestanding facilities are clinic services and are reimbursed according to the provisions of 42 CFR 447.321.

- B. Rural Health Clinics - Effective January 1, 2001, the payment methodology for Rural Health Clinics (RHCs) conforms to Section 702 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000.